



CITY OF KIRKLAND
Department of Finance & Administration
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MEMORANDUM

To: Kurt Triplett, City Manager

From: Tracey Dunlap, Director of Finance and Administration
Sri Krishnan, Financial Planning Manager
George Dugdale, Budget Analyst

Date: December 5, 2013

Subject: **FINAL 2014 PROPERTY TAX LEVY**

RECOMMENDATION:

Council receives an update on the status of the final property tax levy for 2014 and, if the final levy worksheet is received from the King County Assessor's Office by December 10, adopt a revised version of Ordinance O-4430 lowering the adopted property tax levy.

BACKGROUND DISCUSSION

At the November 19 Council Meeting, Council adopted Ordinance O-4425 setting the City's maximum allowable levy of \$26,872,115, with an additional excess levy of \$593,705. Council adopted ordinance O-4425 in order to meet the December 6 deadline established by the King County Council for submission of levy amounts. Ordinance O-4425 included a maximum amount since the County will allow us to submit a final levy amount that is lower than the preliminary amount but not higher. Consequently, the preliminary property tax levy was set higher than the final levy would be.

The County estimated that the final levy worksheet would be available either by the last week of November or the first week of December. As noted at the November 19 Council meeting, staff intended to bring forward a new ordinance establishing the final, lower property tax levy amount at the December 10 Council meeting. As of this writing, the Assessor's Office has not finalized the City's levy worksheet and therefore staff is unable to accurately calculate the amount of the 2014 levy. To our knowledge, this circumstance has not occurred before. As a result, a placeholder Ordinance O-4430 is included with the figures to be filled in based on the final worksheet from King County shaded. If the final levy amount is available prior to the Council meeting on December 10, then a revised Ordinance O-4430 lowering the levy adopted by Ordinance O-4425 will be provided for consideration.

If the final levy amount is not known by December 10, the City will work with the King County Assessor's Office to revise the Preliminary Levy adopted on November 19, and will update Council upon completion. Staff confirmed that some cities within King County pass an ordinance establishing a maximum allowable levy, and revise this administratively without passing a second ordinance, therefore this approach is feasible and ensures we capture the allowable levy amount. However, in this case the actual final levy amount will be determined by King County based on their calculation of the levy limit and the City's preliminary ordinance amount would be superseded. Council would have the option of adopting a replacement ordinance at a later date memorializing the final amount.

ORDINANCE O-4430

AN ORDINANCE OF THE CITY OF KIRKLAND ESTABLISHING THE AMOUNT OF PROPERTY TAXES TO BE LEVIED FOR THE YEAR 2014, THE SECOND YEAR OF THE CITY OF KIRKLAND 2013-2014 FISCAL BIENNIUM AND REPEALING ORDINANCE O-4425.

WHEREAS, the City Council previously held a public hearing on November 19, 2013, to consider amendments to the 2013-2014 Biennial Budget; and

WHEREAS, the City Council and the City Manager have considered the anticipated financial requirements of the City of Kirkland for the fiscal year 2014; and

WHEREAS, pursuant to RCW 35A.33.135, the City Council is required to determine and fix by ordinance the amount to be raised by ad valorem taxes; and

WHEREAS, on November 19, 2013, the City Council passed Ordinance O-4425 which was the preliminary property tax levy representing the maximum amount to be levied; and

WHEREAS, the City Council wishes to repeal the preliminary property tax levy and pass the final tax levy based upon the most recent property tax levy data provided by King County which will be a reduction from the levy amount in Ordinance O-4425; and

WHEREAS, RCW 84.55.120 requires that the increase in the levy over the prior year shall be stated both as to dollars and percentage;

NOW, THEREFORE, the City Council of the City of Kirkland do ordain as follows:

Section 1. Ordinance O-4425 passed November 19, 2013, is hereby repealed.

Section 2. The regular property tax levy for the year 2014 is hereby fixed and established in the amount of \$xx,xxx,xxx. This property tax levy represents a dollar increase of \$xxx,xxx and a percentage increase of x.x% from the previous year, excluding the addition of new construction, improvements to property, any increase in state-assessed property, and administrative refunds as shown below:

	Amount
2014 Regular Levy	xx,xxx,xxx
Less 2013 Levy	25,526,169
Less New Construction	xxx,xxx
Less Refunds	xx,xxx
Total Increase	xxx,xxx
Percent Increase	x.x%

Section 3. There is hereby levied for 2014 upon all property, both real and personal, within the City of Kirkland, Washington, and within the area subject to tax levies for the principal and interest of all general obligation bond issues, a total voted property tax of \$593,705 on the total of assessed valuation for such property.

Section 4. This ordinance shall be in force and effect five days from and after its passage by the Kirkland City Council and publication, as required by law.

Passed by majority vote of the Kirkland City Council in open meeting this _____ day of _____, 2013.

Signed in authentication thereof this _____ day of _____, 2013.

MAYOR

Attest:

City Clerk

Approved as to Form:

City Attorney